



STATE BOARD OF EQUALIZATION

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April 16, 1981

TO COUNTY ASSESSORS:

No. 81/55

SUMMARY OF PROPOSED LEGISLATION NUMBER 7

Following are brief summaries of selected proposed property tax bills and amendments introduced by the Legislature which relate to assessment practices or Revenue and Taxation law.

AB 81

Author: Assemblyman Dennis Brown, et al.

Action: Amended in Assembly

Date: April 7, 1981

Affected Reference: Amends Sections 214.4, 251, and 255; adds Sections 207
257, and 257.1 to the Revenue and Taxation Code

This bill would create the "religious exemption" for property used exclusively for bona fide religious purposes. This would be done by including the church under the welfare exemption. It would require any person claiming the religious exemption to initially submit to the assessor an affidavit containing specified information and once the exemption was received, it would require that person to inform the assessor thereafter if the property is no longer eligible for the exemption.

AB 2074

Author: Assemblyman Robinson

Action: Introduced

Date: April 3, 1981

Affected Reference: Amends Section 51282 of the Government Code

This bill would specify that a local agency may, in its discretion, cancel a land conservation contract.

AB 2094

Author: Assemblyman Bosco

Action: Introduced

Date: April 6, 1981

Affected Reference: Various sections of various codes

Existing law provides comprehensive procedures for approval of subdivisions and provides that the procedure for approval and filing of parcel maps shall be as provided by local ordinance.

AB 2094 (Continued)

This bill would make certain provisions involving the approval of a final map, also applicable to a parcel map, and would make certain changes in the law involving tax and special assessment liens against property to be subdivided.

Under existing law, the Department of Housing and Community Development, after consultation with county tax assessors, is required to issue a registration decal for mobilehomes subject to registration which clearly indicates whether or not the mobilehome is subject to annual registration or is subject to local property taxation and that decal shall have provisions for indicating the current status of any registration fee or local property tax.

This bill would delete the requirement that the decal shall have provisions for indicating the current status of local property tax.

Under existing law, the assessor, tax collector, and auditor are required to charge and collect a fee of \$1 for preparing specified certified copies of documents relating to property taxation.

This bill would increase the fee to \$3.

This bill would recast and change the information to be included in each county tax bill.

ACA 46

Author: Assemblyman Kapiloff

Action: Introduced

Date: April 2, 1981

Affected Reference: Amends and adds various sections to the Constitution

This measure would exempt from property taxation the total value of a dwelling occupied by an owner as his principal residence and would delete the required state reimbursement.

This measure would exempt from property taxation real property of not less than an unspecified number of acres which is enforceably and irrevocably restricted by contract to agricultural or open space use for a prescribed period. This measure would require the Legislature to define those uses and to prescribe the conditions under which real property is to be considered enforceably and irrevocably restricted.

This measure would require the Legislature to provide relief from the payment of property taxes to small businesses, as defined by the Legislature, in any year in which those businesses have no actual profits. This measure would provide that the relief may not be provided by the Legislature in a manner which exempts a small business from any property tax imposed by a local government or which otherwise reduces local tax revenues.

ACA 46 (Continued)

Existing provisions of Article XIII A of the Constitution, and statutes implementing these provisions, limit the maximum amount of ad valorem tax on real property to 1 percent of full cash value, exclusive of any ad valorem taxes or special assessment to pay interest and redemption charges on any voter-approved indebtedness. "Full cash value" is defined as the full cash value of real property in 1975, or its appraised value when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment, and may be adjusted annually for inflation at a rate not to exceed 2 percent.

This measure would substitute for the above valuation limitations the lower of either 2 percent of the fair market value of the property in each year of assessment or that percentage of the fair market value which is equal to the rate for general property tax levies by county as compiled for the computation of the average tax rate applicable to private car assessments.

This measure would require the assessor, in assessing multiunit residential real property, to establish an assessed value for the entire property and for each residential unit thereof. It would require the Legislature to provide for an income tax credit for each tenant of a residential rental unit occupied on the lien date in an amount equal to the property tax attributable to the tenant's unit.

This amendment would take away much of the sales tax revenues to cities and counties and would remove the schools from receiving revenues from the property tax.

ACA 47

Author: Assemblyman Dennis Brown

Action: Introduced

Date: April 2, 1981

Affected Reference: Amends subdivision (f) of Section 3 of Article XIII of the Constitution

This measure would convert the church exemption into a "religious property" exemption and provides that buildings, land on which they are situated, and equipment used exclusively for bona fide religious purposes are exempted from property taxation.

SB 462

Author: Senator Johnson

Action: Amended in Senate

Date: April 6, 1981

Affected Reference: Amends Sections 38905 and 38907; adds Section 38303.5 to the Revenue and Taxation Code

This bill would require the Controller on or before January 1, 1982 to certify to the State Board of Equalization the amount necessary to restore specified deficient allocations, plus the amount needed to bring the current

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SB 462 (Continued)

balance of the Timber Tax Reserve Fund up to \$5,000,000, less specified administrative costs incurred by the State Board of Equalization and the State Forester.

This bill would require the timber reserve fund tax rate for the 1982 calendar year to be established in January 1982, according to specified criteria. It would further provide that the administrative costs be removed from the determination of the rate twice, once by the Controller and once by the Board.

SB 1107

Author: Senator O'Keefe

Action: Introduced

Date: April 1, 1981

Affected Reference: Adds Section 51282.2 to the Government Code

This bill would eliminate the fees for cancellation of a Land Conservation Act Contract, which would potentially reduce state revenues, and would require a certificate of cancellation to be executed and recorded by the board or council within 30 days of the determination to cancel the contract.

SCA 30

Author: Senator Mills

Action: Introduced

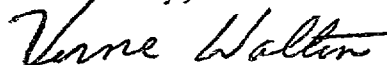
Date: April 2, 1981

Affected Reference: Amends Sections 1 and 2 of Article XIII A of the Constitution

Existing provisions of Article XIII A, and the statutes implementing those provisions, provide that "full cash value," for property tax purposes, means the assessor's valuation of real property as reflected in the 1975 assessment or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment, plus annual adjustments to reflect the inflationary rate not to exceed 2 percent for any given year.

This measure would provide that, notwithstanding the above, all property except for owner-occupied residence which have not changed ownership subsequent to the effective date of this measure, shall be appraised for purposes of ad valorem taxation pursuant to other existing constitutional provisions requiring the taxation of property at full value. Thereafter all owner-occupied dwellings that change ownership will be annually appraised at their full value.

Sincerely,



Verne Walton, Chief

Assessment Standards Division

VW:sk

Enclosures